



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 2.70 percent to Rs. 3657.47 per quintal during the week ended 08th April 2018. Guar seed average price were ruling at Rs 3758.88 per quintal during 24-31 March 2018. As compared to prices in the week 01-08 April 2017, the prices are weak by 5.31 percent. Prices are expected to remain steady to weak in coming days.

Guar Seed May contract closed at Rs 4128.5 per quintal after falling by Rs 17.50 per quintal last week. As of now, guar has breached support level of Rs 4200 per quintal and a fresh low of Rs 3950-4000 per quintal can be expected in coming days. Traders are holding their physical stocks of guar. Furthermore, traders have liquidated their positions in futures in order to create fresh positions at lower levels and are targeting a price of Rs 4350-4450 per quintal.

As per trader's point of view, prices are likely to remain steady to weak as of now. However, prices are likely to pick up, as production is not enough to fulfill domestic as well as international demand. Traders having physical stock are holding their stock as they are still bullish regarding prices of guar seed.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1003 as on 06th April 2018 up by 10 compared to last week and up by 164 compared to 07th April 2017. The total number of oilrigs was recorded at 2179 worldwide in March'18 compared to 2271 in the same month last year. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, demand for guar gum is also affected depending on the increase or decrease of the number of oilrigs.

As per latest update by DGCIS, India has exported around 405625 metric tonnes of guar gum in April-January (2017-18) compared to 312949 metric tonnes in April- January (2016-17). In terms of value, exports have increased by around 29.60 percent. Total crop availability is lower this year compared to last year. Carryover stocks have also decreased due to higher exports compared to last year.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported steady arrivals of 3700 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1100 quintals) compared to 600 quintals in the previous week.

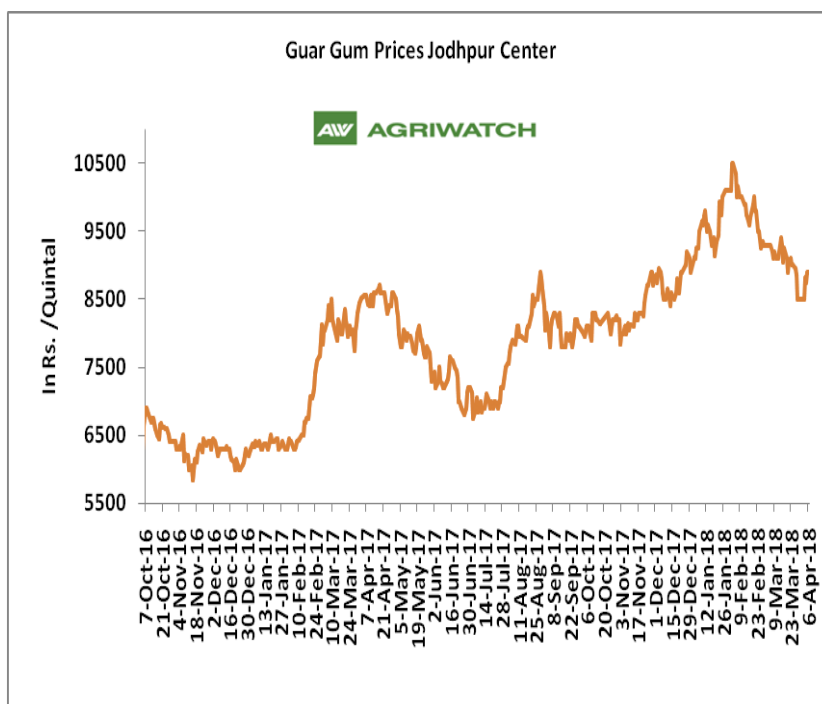
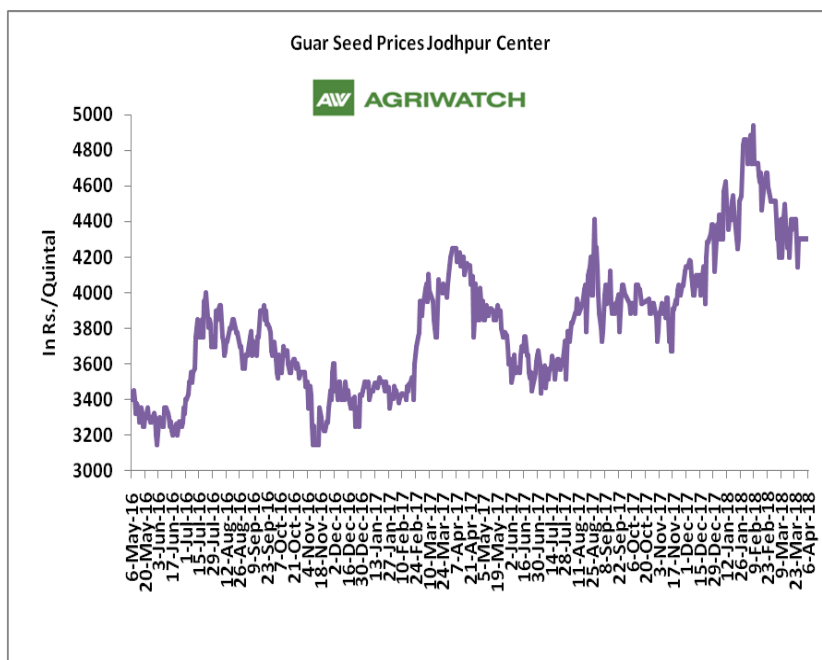
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 4140 levels for a target of 4005 with a stop loss at 4221 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

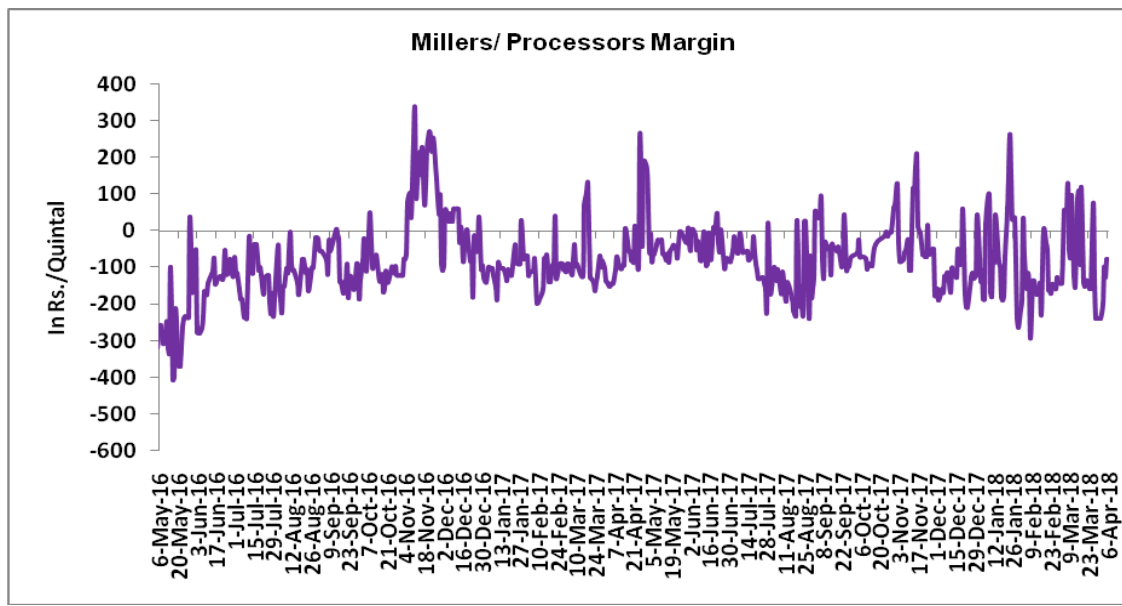
- In the week ended 06th March'18, Guar seed weekly average prices increased by Rs 8.75/- qtl during the week compared to previous week and settled at Rs 4305 per quintal.
- In addition, Guar gum weekly price increased by Rs 10.83 per quintal and settled at Rs. 8728 per quintal. Firm demand for guar gum from domestic as well as overseas market is likely to kept prices at higher side in previous week.
- According to first advance estimate for 2017-18, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 200000 hectares, 144000 tonnes and 721 kg/hectare respectively. As per third advance estimate for 2016-17 issued by Gujarat's Department of Agriculture for Guar seed the area, production and yield are 352000 hectares, 242000 tonnes and 687 kg/hectare.
- According to first advance estimate for 2017-18 issued by Rajasthan's Department of Agriculture for Guar seed, the area is 3167018 hectares. As compared to third advance estimate for 2016-17, the area, has decreased by 362989 hectares.



Millers/Processors Margin

In the week ended 06th April'18, average crush margin is Rs. -136.73/Quintal, compared to last week's -154.56/Quintal. Therefore, crushing is not favorable for Millers/Processors.

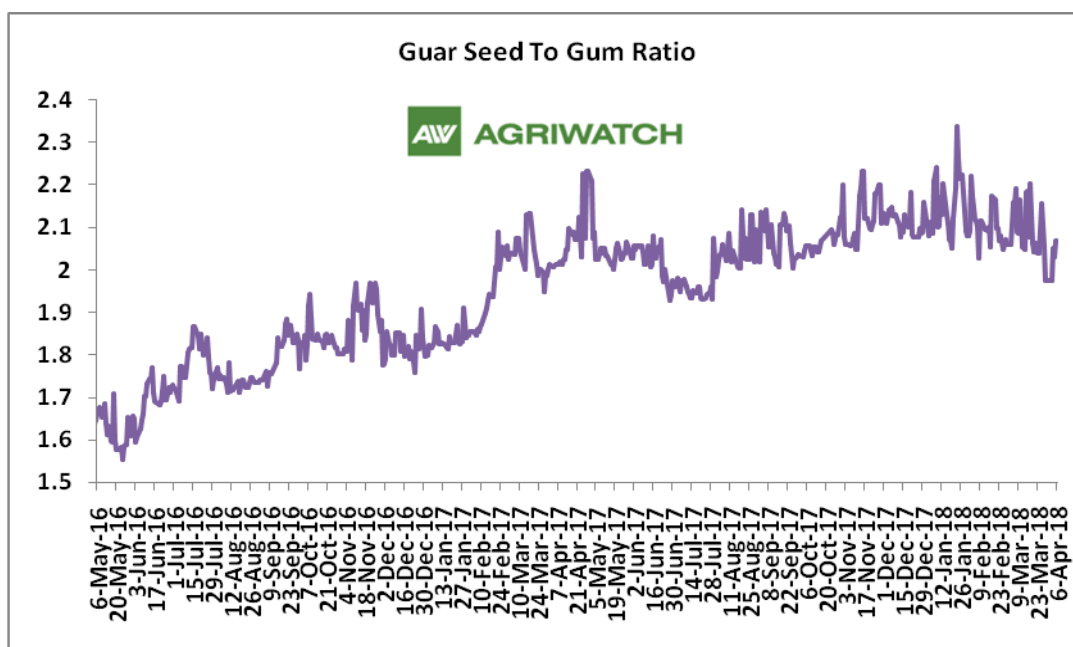
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 06th April'18 is 2.02, lower compared to last week's 2.03

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.

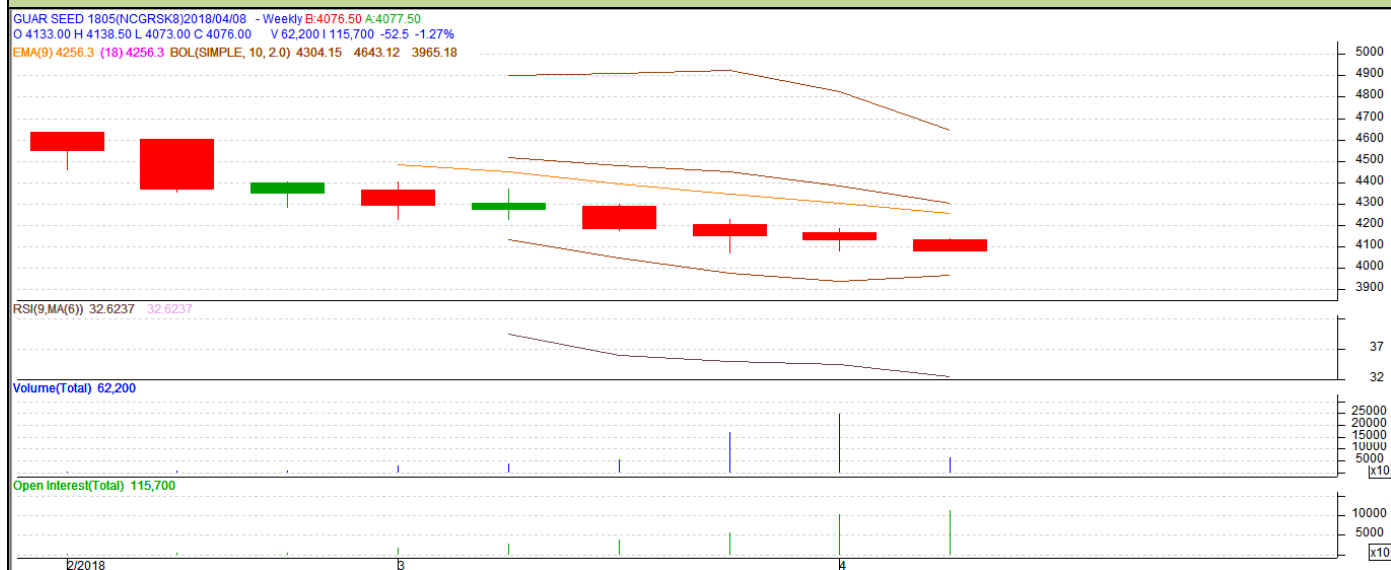


Technical Analysis (Guar Seed)

Commodity: Guar Seed
Contract: May

Exchange: NCDEX
Expiry: May 18, 2017

Guar Seed (May Weekly Chart)



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.
- Prices closed below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	May	3835	3780	4128.5	4370	4505
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	Sell	Below 4140	4005	3920	4221

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: May

Exchange: NCDEX
Expiry: May 18, 2017



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.
- Prices closed below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	May	8410	8305	8889	9255	9400
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	Sell	Below 8945	8705	8540	9089

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	31st March to 6th April 2018	24th March to 30th March 2018	Change
Churi	Jodhpur	1545	1530	15
Korma	Jodhpur	2194	2150	44
Churi	Sri-Ganganagar	1413	1350	63
Korma	Sri-Ganganagar	1957	1850	107

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	31st March to 6th April 2018	24th March to 30th March 2018	Change
Guargum Split		1404	1417	-13
Guargum Powder	200 Mesh 5000 CPS	1712	1726	-14
	200 Mesh 3500 CPS	1635	1648	-14
Guargum Meal	40%	323	324	-1
	50%	430	431	-1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			31st March to 6th April 2018	24th March to 30th March 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4100	4088	13
		Jodhpur(Delivery)	4305	4292	13
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3933	3954	-21
		Sri-Ganganagar (Delivery)	4083	4104	-21
		Rawla (Loose)	NA	3920	-
		Gharsana (Loose)	3850	3893	-43
		Raisinghnagar (Loose)	3877	3922	-45
	Bikaner	Bikaner (Loose)	3901	3913	-12
		Bikaner (Delivery)	4096	4108	-12
		Nokha(Loose)	3881	3933	-52
		Nokha (Delivery)	4075	4129	-54
		Khajuwala (Loose)	3858	3883	-25
		Khajuwala (Delivery)	4051	4078	-26
		Lunkaransar (Loose)	3870	3845	25
	Hanumangarh	Hanumangarh (Loose)	3859	3910	-51
		Hanumangarh (Delivery)	4052	4106	-54
		Nohar (Loose)	3917	3928	-12

		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3750	3842	-92
	Churu	Churu (Delivery)	3967	4090	-123
	Alwar	Alwar (Loose)	3767	3800	-33
Haryana	Hisar	Adampur (Loose)	3883	3903	-19
		Adampur (Delivery)	4078	4098	-20
	Bhiwani	Bhiwani (Delivery)	4078	4058	20
		Siwani (Loose)	4028	4028	Unch
	Sirsa	Sirsa (Loose)	3908	3948	-40
		Dhabwali (Loose)	3884	3863	21
		Dhabwali (Delivery)	4078	4056	22
		Ellanabad (Loose)	3917	3913	4
	Fatehabad	Fatehabad (Loose)	3898	3917	-18
Gujarat	Banaskantha	Deesa (Loose)	3650	3850	-200
	Patan	Patan (Loose)	3528	3825	-298
	Rajkot	Rajkot (Loose)	3793	NA	-
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8841	8825	16
	Alwar	Alwar	9000	8933	67
	Hanumangarh	Nohar	8925	8967	-42
Haryana	Bhiwani	Bhiwani	8608	8508	100
	Sirsa	Sirsa	8870	8967	-97
		Dhabwali	8920	8900	20
		Ellanabad	8900	8908	-8
	Fatehabad	Fatehabad	8838	8858	-20

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			6-Apr-18	30-Mar-18	6-Mar-18	6-Apr-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4100	Closed	4100	4100
		Jodhpur(Delivery)	4305	Closed	4305	4250
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3950	3950	4150	4050
		Sri-Ganganagar (Delivery)	4100	4100	4300	4150
		Rawla (Loose)	NA	NR	4030	3850
		Gharsana (Loose)	3800	NA	4010	3900
		Raisinghnagar (Loose)	NR	3950	4070	3900

	Bikaner	Bikaner (Loose)	3900	Closed	4050	3960
		Bikaner (Delivery)	4095	Closed	4253	4110
		Nokha(Loose)	3850	Closed	4100	3940
		Nokha (Delivery)	4043	Closed	4305	4082
		Khajuwala (Loose)	NR	Closed	4050	3930
		Khajuwala (Delivery)	NR	Closed	4253	4087
		Lunkaransar (Loose)	3900	3870	4000	3900
	Hanumangarh	Hanumangarh (Loose)	3800	3900	4050	3900
		Hanumangarh (Delivery)	3990	4095	4253	4050
		Nohar (Loose)	3950	3900	4100	4000
		Pilibanga (Loose)	NA	NA	4100	3900
	Nagaur	Nagaur (Loose)	3750	Closed	4100	3850
	Churu	Churu (Delivery)	3900	4100	4250	4050
	Alwar	Alwar (Loose)	3750	3800	3900	3800
Haryana	Hisar	Adampur (Loose)	3900	3870	4150	3950
		Adampur (Delivery)	4095	4064	4358	4100
	Bhiwani	Bhiwani (Delivery)	4100	4050	4250	4000
		Siwani (Loose)	4040	4025	4210	4040
	Sirsa	Sirsa (Loose)	3900	3930	4100	3950
		Dhabwali (Loose)	3850	3900	4120	3820
		Dhabwali (Delivery)	4043	4095	4326	3970
		Ellanabad (Loose)	3850	3900	4050	3925
	Fatehabad	Fatehabad (Loose)	3900	3900	4050	4000
Gujarat	Banaskantha	Deesa (Loose)	3650	Closed	Closed	3770
	Patan	Patan (Loose)	3555	Closed	3955	3830
	Rajkot	Rajkot (Loose)	3785	Closed	3945	3975
	Jamnagar	Dhrol (Loose)	NA	Closed	NA	3785
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	-
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8900	Closed	9300	8550
	Alwar	Alwar	9000	9000	9300	8600
	Hanumangarh	Nohar	8950	8900	9250	8600
Haryana	Bhiwani	Bhiwani	8700	8450	9100	8500
	Sirsa	Sirsa	8900	9000	9300	8600
		Dhabwali	8900	9000	9350	8500
		Ellanabad	8850	8900	9000	8600
	Fatehabad	Fatehabad	8788	NR	9300	8500

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			31st March to 6th April 2018	24th March to 30th March 2018	
Rajasthan	Jodhpur	Jodhpur	NA	NA	-
	Sri-Ganganagar	Sri-Ganganagar	5000	5900	-900
		Rawla	NA	200	-200
		Gharsana	150	600	-450
		Raisinghnagar	1750	2500	-750
	Bikaner	Bikaner	1100	600	500
		Nokha	900	1150	-250
		Khajuwala	500	900	-400
		Lunkaransar	2200	2250	-50
	Hanumangarh	Hanumangarh	530	960	-430
		Nohar	2700	2500	200
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	425	220	205
	Churu	Churu	1500	2300	-800
	Alwar	Alwar	800	1700	-900
Haryana	Hisar	Adampur	3700	3700	Unch
	Bhiwani	Bhiwani	3300	9500	-6200
		Siwani	6000	5600	400
	Sirsa	Sirsa	5200	8700	-3500
		Dhabwali	600	900	-300
		Ellanabad	550	1000	-450
	Fatehabad	Fatehabad	1900	1650	250
Gujarat	Banaskantha	Deesa	7	8	-1
	Patan	Patan	35	41	-6
	Rajkot	Rajkot	405	NA	405
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			39252	52879	-13627

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